

STATE OF NEW YORK
COUNTY OF NEW YORK

} ss.

On the 7th day of June, 1972, before me personally came
C. B. Pattarini to me known, who, being by me duly sworn, did de-
pose and say that he resides at Garden City, N. Y.

that he is the Deputy Director of Aviation of The Port of New York Authority,
(one of) the corporations described in and which executed the foregoing instrument; that he
knows the seal of the said corporation; that the seal affixed to the said instrument is such
corporate seal; that it was so affixed by order of the Board of Commissioners of the said
corporation; and that he signed his name thereto by like order.

Catherine A. Zaffarano
(notarial seal and stamp)

Catherine A. Zaffarano
Notary Public State of New York
No. 41-4376392

Qualified in Queens County
Commission Expires March 30, 1973

STATE OF New York
COUNTY OF Queens

} ss.

On the 8th day of May, 1972, before me personally came
John J. Bowen to me known, who, being by me duly sworn, did de-
pose and say that he resides at 110-10 67th Avenue, Rego, N.Y.

that he is the President of The Brooklyn Union Gas Company,

one of the corporations described in and which executed the foregoing instrument; that he
knows the seal of the said corporation; that the seal affixed to the said instrument is such
corporate seal; that it was so affixed by order of the Board of Directors of the said corpora-
tion; and that he signed his name thereto by like order.

George D. Lineman, Jr.
Notary Public, State of New York
No. 52-680400
Qualified in Kings County
Certificate filed in Kings County
Commission Expires March 30, 1974
(notarial seal and stamp)

STATE OF
COUNTY OF

} ss.

On the _____ day of _____, 197____, before me personally came _____
_____ to me known and known to me to be the individual de-
scribed in and who executed the foregoing instrument, and acknowledged to me that he executed
the same.

(notarial seal and stamp)

COPY

LEASE ASSIGNMENT AGREEMENT

AGREEMENT made this 30 day of August 1979 between NEW YORK TELEPHONE COMPANY, a New York corporation, (hereinafter called "ASSIGNOR"), having its principal office at 1095 Avenue of the Americas, New York, New York and BROOKLYN UNION GAS COMPANY, a New York corporation, (Hereinafter called "ASSIGNEE"), having its principal office at 195 Montague Street, Brooklyn, New York.

W I T N E S S E T H

WHEREAS: the ASSIGNOR is now the TENANT at the premises now known as 651 Court Street, Brooklyn, New York (Hereinafter called "PREMISES") more particularly described in Attachment A annexed hereto and made a part hereof, under a Lease dated March 10, 1972, (hereinafter called "THE LEASE"), which is annexed hereto and marked "Exhibit A" between ASSIGNOR, as Tenant, and REDHOOK REALTY COMPANY, as LANDLORD, (hereinafter called "LANDLORD"), a partnership organized under the laws of the State of New York having an office at 390 Willis Avenue, Roslyn, New York and;

WHEREAS: the ASSIGNOR is also the holder of Eight Notes in the principal amount of One Hundred Sixty-Two Thousand Four Hundred Dollars and no/100 (\$162,400.00) as of the 1st day of August, 1979 and a Purchase Money Mortgage given by LANDLORD to the ASSIGNOR which mortgage is subordinate to a first mortgage given by LANDLORD to Bankers Federal Savings and Loan Association (hereinafter called the "BANK").

WHEREAS: the LANDLORD assigned THE LEASE to BANK as security for a mortgage on PREMISES and;

WHEREAS: Tenant is desirous of assigning THE LEASE to ASSIGNEE and ASSIGNEE is desirous of accepting said assignment and;

WHEREAS: the LANDLORD and BANK consent to this LEASE ASSIGNMENT from ASSIGNOR to ASSIGNEE by executing at the place provided herein.

NOW THEREFORE the ASSIGNOR and the ASSIGNEE do hereby agree as follows:

ASSIGNEE and ASSIGNEE does hereby accept and assume from ASSIGNOR all rights, obligations and interests of the ASSIGNOR in THE LEASE subject to conditions as set forth hereinafter.

SECOND: The effective date of this LEASE ASSIGNMENT AGREEMENT is August 1, 1979.

THIRD: ASSIGNOR does hereby grant, convey and assign to ASSIGNEE, and ASSIGNEE does hereby accept from ASSIGNOR a Purchase Money Mortgage dated March 10, 1972 between NEW YORK TELEPHONE COMPANY and REDHOOK REALTY COMPANY which is recorded in Reel 543 of Mortgages on page 1871, Kings County, New York on March 13, 1972 and Promissory Notes in connection therewith, which Purchase Money Mortgage liens THE PREMISES known as 651 Court Street, Brooklyn, New York.

FOURTH: Should any default of the terms and conditions contained in THE LEASE on the part of the ASSIGNEE result in the ASSIGNOR being held responsible for payment of rent due and any other obligations of THE LEASE pursuant to Article 14.04 of THE LEASE then and in that event ASSIGNEE does hereby agree to reconvey and return to ASSIGNOR all Notes becoming due (if any) and to pay to ASSIGNOR all sums of principal and interest collected by ASSIGNEE on such Notes as had become due, over and above the sum total of monthly payments of \$2,775.00, being that portion of the monthly rent payment to landlord allocated to the principal and interest payments on the Notes, from August 1, 1979 until the first day of the month in which said default shall occur.

FIFTH: ASSIGNEE does hereby agree to pay to ASSIGNOR as soon after delivery of this Assignment as is practical prepaid real estate taxes and rents from August 1st and for any fuel left in the storage tanks at THE PREMISES as of that date.

SIXTH: ASSIGNEE does hereby agree to pay to ASSIGNOR by May 30, 1980 the accrued interest on Note #3 in the amount of Eleven Thousand Seven Hundred Seventy-Four Dollars and no/100 (\$11,774.00).

SEVENTH: Nothing contained in this AGREEMENT shall release ASSIGNOR from its obligation to LANDLORD or BANK to honor the provision, term and conditions of Article 14.04 of THE LEASE.

IN WITNESS WHEREOF, the parties hereto have subscribed their hands and seals as of the day and year first above written.

NEW YORK TELEPHONE COMPANY

By J. J. Collins

GENERAL MANAGER-BUILDINGS MANAGEMENT & CONSTRUCTION

BROOKLYN UNION GAS COMPANY

By J. E. Knight
SECRETARY

~~ATTEST:~~

~~ATTEST:~~

AGREED TO:

REDHOOK REALTY COMPANY

By Edward C. Breyer

BANKERS FEDERAL SAVINGS AND
LOAN ASSOCIATION

By Edward C. Kull
Victor P. Tarr

LEASE, made this 10th day of MARCH, 1971 by and between
RED HOOK REALTY CO., a partnership, organized under the laws of the
State of New York, having an office at 34-50 Linden Place, Flushing,
New York
(hereinafter referred to as "Landlord") and NEW YORK TELEPHONE COMPANY, a
New York corporation, having its principal office at 140 West Street, New
York, New York (hereinafter referred to as "Tenant").

ARTICLE 1

PREMISES AND TERM OF LEASE

1.01 Landlord does hereby lease to Tenant and Tenant does hereby
hire and take from Landlord, upon the agreements, terms covenants and
conditions herein set forth, the Premises located in the Borough of Brooklyn
Kings County, New York, more particularly described in Schedule "A" annexed
hereto and made a part hereof, subject, nevertheless to the matters set forth
on Schedule "B" annexed hereto and made a part hereof for use as a telephone
plant work center or
any other telephone business use permitted by the municipal Authorities.
TO HAVE AND TO HOLD for a term of 25 years commencing on the

"Commencement Date" (as hereinafter defined) and ending on the day before the
twenty-fifth anniversary of the Commencement Date, unless sooner terminated
as hereinafter provided.

2.02 The Commencement Date shall be the earlier of:

(a) The date on which the following conditions have been met:

- (i) A certificate of occupancy (temporary or final)
full
permitting occupancy of the Building, has been issued by the
governmental department having jurisdiction thereof; and
in Section 6.01)
- (ii) "Landlord's Work" (as hereinafter defined) is
substantially complete, in accordance with Section 6.02,
hereof, or

(b) The date Tenant shall occupy the Premises or any part
thereof, or

(c) Such earlier date as may be provided pursuant to
Section 6 of the Contract (hereinafter defined).

1.03 The Premises demised hereunder are the same Premises which were conveyed this day by deed from Tenant to Landlord.

1.04 Upon the request of either party, promptly after the Commencement Date is determined, Landlord and Tenant will execute an agreement in recordable form, stating the commencement and termination dates of the term of this Lease.

1.05 If the Commencement Date shall not have occurred within 12 months from the date hereof for any reason other than strikes, labor disputes, lockouts, shortage of labor or materials, acts of God, enemy action, civil commotion, riot or insurrection, governmental restrictions, government preemption, fire or other casualty, or any other cause beyond Landlord's reasonable control, or, if the Commencement Date shall not have occurred within 24 months from the date hereof notwithstanding any of the foregoing reasons for delay, except for delays caused by Tenant, Tenant may at any time thereafter prior to the Commencement Date, by 30 days' notice to Landlord, terminate this Lease (but such termination notice shall be of no force or effect if the Commencement Date occurs before the end of such 30 day period), and Landlord shall return to Tenant all installments of rent if any theretofore paid by Tenant and neither party shall thereafter have any further rights or obligations of any nature arising hereunder.

ARTICLE 2

DEFINITIONS

2.01 As used herein, the following terms and phrases shall have the meanings indicated:

(a) Building - all buildings, structures and improvements, including but not limited to all utility lines, pipes and connections (and all fixtures, equipment and personalty located therein and utilized in connection with the operation thereof) now or at any time hereafter located on the Land but excluding the buildings to be demolished pursuant to Section 2. of the Contract.

(b) Premises - the Land and Building hereby demised.

(c) Landlord - only the owner for the time being of the Premises so that in the event of any sale or transfer of the Premises, the seller or transferor shall be and hereby is covenanted



freed and relieved of all covenants and obligations of Landlord hereunder except as otherwise expressly provided in this Lease, and it shall be construed without further agreement between the parties on any such sale or transfer that the purchaser or transferee has assumed and agreed to carry out any and all covenants and obligations of Landlord hereunder accruing from and after the date of sale and transfer.

(d) Fee Mortgage - any mortgage, deed of trust or similar security instrument created by Landlord that does not violate the provisions of Section 32.09

(e) Fee Mortgagee - the holder, at the time, of a Fee Mortgage (including the Trustee under a deed of trust).

(f) Fixed Rental - defined in Section 3.01.

(g) Rental - defined in Section 3.03.

(h) Impositions - defined in Section 4.01.

(i) Insurance Proceeds - defined in Article 7.

(j) Event of Default - defined in Section 21.01.

(k) Default - on Event of Default.

(l) Arbitration - as provided in Article 27.

(m) Requirements - defined in Section 12.01.

(n) Leasehold Improvement - defined in Article 11.

(o) Restoration - defined in Article 8.

(p) The words "herein", "hereof", "hereby" and "hereunder" and words of similar import refer to this Lease as a whole and not to any particular Section or subdivision thereof.

(q) The words "the term hereof" or words of similar import, shall be deemed to mean the term of this Lease.

(r) The Words "original named Tenant" shall mean New York Telephone Company or any successor in interest supplying telephone services to the New York metropolitan area.

(s) Land - The land described in Schedule A annexed hereto.

(t) Purchase Money Mortgage - Mortgage of even date herewith, in the sum of \$394,500. made by REE HOOK REALTY CO. to New York Telephone Company

(u) Contract - that certain Contract for Sale and Lease-bac.
dated the 21st day of July , 1971, between the Tenant,
as seller and the Landlord, as purchaser, and all amendments there
to.

ARTICLE 3

RENT

3.01 (a) Tenant covenants and agrees to pay to Landlord the Fixed Rental hereinafter set forth, in advance on the first day of each calendar month during the term of this Lease. Fixed Rental shall be absolutely net to Landlord so that this Lease shall yield net to Landlord the Fixed Rental specified, and all costs, expenses and obligations of every kind and nature whatsoever, whether now existing or hereafter arising, even if beyond the current contemplation of the parties, shall be the obligations of and paid for by Tenant, except as may be expressly otherwise provided in this Lease.

(b) For the first fifteen (15) years of the term of this Lease, Tenant shall pay to Landlord a Fixed Rental of Ninety Thousand Three Hundred (\$90,300.) Dollars per annum in equal monthly installments in advance on the first day of each calendar month.

(c) For the last ten (10) years of the term of this Lease, Tenant shall pay to Landlord a Fixed Rental of Fifty-Seven Thousand (\$57,000) Dollars per annum in equal monthly installments in advance on the first day of each calendar month.

3.02 Tenant also covenants and agrees to pay all impositions, charges, costs, expenses and payments required to be paid by Tenant in accordance with any of the provisions of this Lease.

3.03 All of the amounts payable by Tenant pursuant to this Article 3 hereinafter are referred to collectively as "Rental" and shall be paid in lawful money of the United States of America at the office of Landlord set forth above (or at such other place or to such other persons as Landlord may designate by written notice to Tenant) without notice or demand and without abatement, deduction, counterclaim or set-off except as specifically provided herein.



3.04 In the event the Commencement Date shall be a date other than the first day of a calendar month, Tenant shall, on the Commencement Date, pay Landlord an amount equal to such proportion of a monthly installment of Fixed Rental pursuant to Section 3.01 (b), as the number of days from the Commencement Date to the end of the calendar month in which the Commencement Date occurs bears to the total number of days in said calendar month, and said payment shall represent the pro rata ^{fixed rental} /from the Commencement Date to the end of such calendar month.

3.05 If payment of Rental or any part thereof shall not be made within twenty (20) days after the date on which it is due and payable, a late charge of one percent per month or part thereof, on the sums so overdue, shall, at Landlord's option, be payable as damages for Tenant's failure to make prompt payment. Late charges that are incurred during any month shall be payable on the first day of the following month. In the event of non-payment of any late charges Landlord shall have, in addition to all other rights and remedies, all the rights and remedies provided for herein and by law in the case of nonpayment of Rental. No failure by Landlord to insist upon the strict performance by Tenant of Tenant's obligations to pay late charges shall constitute a waiver by Landlord of its rights to enforce the provisions of this Section in any instance thereafter occurring, nor shall acceptance of late charges be deemed to extend the time of payment of Rental or any part thereof hereunder. The provisions of this Section shall be in addition to and not in lieu of any other rights and remedies which Landlord may have for the nonpayment of Rental.

3.06 Notwithstanding anything to the contrary contained herein, if Landlord fails to pay any installment of principal or interest due under the Purchase Money Mortgage, Tenant may offset the amount then due for such installment pursuant to the Purchase Money Mortgage against the Rental due Landlord hereunder.



ARTICLE 4

IMPOSITIONS

4.01 Tenant covenants and agrees to pay, in the manner hereinafter provided, all of the following items: All taxes, assessments, water and sewer charges, excises, levies, license and permit fees, fines, penalties and other governmental charges (and any interest or costs with respect to any of the foregoing), general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever which at any time ~~and during~~ during the term of this Lease may be assessed, levied, confirmed, imposed upon, or grow or become due and payable out of or in respect of, or charged with respect to or become a lien on, the Premises or the sidewalks or streets in front of or adjoining the Premises, or any vault, passageway or space in, over or under such sidewalk or street, or any other appurtenances of the Premises, or any personal property, equipment or other facility used in the operation thereof, or the rent or income received therefrom, or any use or occupancy thereof, or the Rental payable hereunder (all such items being herein called "Impositions"). Each such Imposition or installment thereof, payable during the term of this Lease, shall be paid not later than the due date for the payment of same, and proof of such payment shall be delivered to Landlord upon request, provided, however, that if by law, any Imposition may at the option of the taxpayer be paid in installments, Tenant may exercise the option to pay the same in such installments and shall be liable only for installments becoming due during the term of this Lease.

The certificate, advice or bill of the proper official to make or issue the same or to receive payment of any Imposition, certifying as to nonpayment of such Imposition, shall be prima facie evidence that such Imposition is due and unpaid.

4.02 Nothing herein contained shall require Tenant to pay any income, inheritance, estate, succession, transfer, or gift taxes of Landlord, or any corporate franchise tax imposed upon Landlord; provided however, that if at any time during the term of this lease the method of taxation prevailing at the commencement of the term hereof shall be altered so that



any new tax, assessment, levy, imposition or charge, or any part thereof, shall be measured by or be based in whole or in part upon the Premises or the income therefrom and shall be imposed upon Landlord in lieu of a tax or charge which had theretofore ^{been} imposed on real estate, then all such taxes, assessments, levies, impositions or charges, or the part thereof to the extent that they are so measured or based, shall be deemed to be included within the term "Impositions" for the purposes hereof, to the extent that such Impositions would be payable if the Premises were the only property of Landlord subject to such Impositions, and Tenant shall pay and discharge the same as herein provided in respect of the payment of Impositions. In the event of any such change in the method of taxation, if Landlord and Tenant cannot agree as to whether or to what extent, any tax, assessment or levy, imposition or charge is being measured by or based upon the Premises or the income therefrom and imposed on Landlord, Landlord and Tenant shall submit this question to Arbitration.

4.03 All Impositions shall be apportioned between Landlord and Tenant as of the commencement and as of the expiration of the term.

4.04 Tenant shall have the right at its own expense to contest the amount or validity of any Imposition by appropriate proceedings diligently (and Landlord agrees to cooperate in any such contest without cost or expense to it) conducted in good faith but only after payment of such Imposition unless such payment would operate as a bar to such contest or interfere materially with the prosecution thereof, in which event, notwithstanding the provisions of Section 4.01 hereof, payment of such Imposition shall be postponed if and only as long as:

(a) Neither the Premises nor any part thereof, would ^{in the} ~~be~~ / reasonable judgment of the Landlord, / in danger of being forfeited or lost;

(b) Landlord shall not be in danger of being subjected to criminal liability or penalty by reason of such postponement; and

(c) Tenant shall have deposited with Landlord the amount so contested and unpaid together with all interest and penalties in connection therewith and all charges that may or might be assessed against or become a charge on the Premises or any part thereof, in such proceedings.

INITIAL

If, at any time during the continuance of such proceedings, Landlord shall deem the amount deposited as aforesaid insufficient, Tenant shall, upon demand, make an additional deposit of such additional sums as Landlord reasonably may request, and upon failure of Tenant so to do, the amount theretofore deposited may be applied by Landlord to the payment, removal and discharge of such Imposition, and the interest and penalties in connection therewith and any costs, fees (including ^{reasonable} counsel fee) or other liabilities accruing in any such proceedings, and the balance, if any, shall be returned to Tenant and the deficiency, if any, shall be paid by Tenant to Landlord on demand. Provided no Default exists with respect to the payment of Rental of which Landlord has given Tenant notice, Tenant shall be authorized to collect any refund obtained in any such contest subject to Tenant's obligation to pay to Landlord Landlord's pro rata share thereof pursuant to the provisions of Section 4.03 hereof.

4.05 Nothing herein contained shall require Tenant to pay any interest or principal on the Purchase Money Mortgage or on any Fee Mortgage.

4.06 The provisions of this Article 4 dealing with deposits, shall not apply to the original named Tenant.

ARTICLE 5

This Article is intentionally omitted.

ARTICLE 6

LANDLORD'S CONSTRUCTION

6.01 At or prior to the execution of this Lease, Landlord and Tenant have, pursuant to the Contract, approved and initialed the Final Plans for the improvements of the Premises by Landlord. Landlord shall furnish all the materials and equipment and perform all the work required by the Final Plans (the furnishing of such materials and equipment and performance of such work being hereinafter referred to as "Landlord's Work") and shall commence, diligently pursue, and complete Landlord's Work in accordance with and subject to Section 6 of the Contract.

INITIAL

6.02 (a) Landlord's Work shall be deemed substantially complete when all of the following conditions have been met:

(i) Landlord's Work in the interior of the Building has been substantially completed; and it shall be deemed so completed notwithstanding the fact that minor or insubstantial details of construction, mechanical adjustment, or decoration remain to be performed (except that the painting of the interior of the Building shall be completed) the noncompletion of which does not interfere with normal use and occupancy of the Building by Tenant for the purposes intended as set forth in Section 1.01.

(ii) The main entrance to the Building and all facilities necessary to Tenant's occupancy of the Building including sidewalks, corridors, stairways, toilets, ventilating, heating, air-cooling, water, plumbing, lighting and electric power facilities have been properly installed and are in good operating order and available to Tenant.

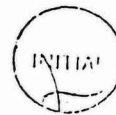
(iii) The exterior of the Building has been substantially completed and is watertight, including windows, and the remaining work to be done on the Building is of such nature as will not materially interfere with Tenant's normal use and occupancy of the building for the purposes intended as set forth in Section 1.01.

(iv) The parking areas have been paved, fenced and lighted.

(b) Notwithstanding the provisions of subparagraph (a) hereof, if Landlord shall in the performance of Landlord's Work, encounter any delays that result from

(i) the failure of Tenant or its agents, employees, contractors or subcontractors to perform Tenant's obligations hereunder, or

(ii) the interference by Tenant or its agents, employees, contractors or subcontractors with the performance of Landlord's Work.



then Landlord's Work shall be deemed to be substantially complete on the date that same would have been substantially complete but for such delays provided, however, if Landlord fails to give Tenant notice within five (5) days of any such delay, such delay prior to the giving of such notice shall not be included in determining the date that Landlord's Work would have been substantially complete.

6.03 Any dispute between Landlord and Tenant with respect to the interpretation of this Article 6 or with respect to the provisions of Article 6 of the Contract shall be determined by arbitration.

ARTICLE 7

INSURANCE

7.01 During the term of this Lease, Landlord shall, at Landlord's expense, maintain a policy or policies of insurance against loss or damage to the Premises by fire and from such other hazards as may be covered by the form of fire and extended coverage then in effect under policies that provide for payment of full replacement cost without deduction for depreciation in an amount not less than 100% of the replacement cost of the Building, exclusive of foundations and footings. Such policy or policies shall name the Tenant as insured and shall be deposited by Landlord with Tenant as a condition precedent to the commencement of this lease. In the event Landlord shall fail to pay any premiums when due on such policy or policies Tenant shall have the right to make such payment and deduct the amount thereof from future rental payments.

7.02 All insurance provided for in this Article shall be effected under valid and enforceable policies issued by insurers of recognized responsibility which are licensed to do business in the State of New York.

7.02 (a) Landlord's obligation to pay the premium or premiums on the policy or policies as provided in 7.01 above shall be limited to \$4,400. annually. The said \$4,400. limitation shall be cumulative in the event the policies are for periods in excess of one year.

(b) Each such policy shall provide for at least 30 days notice, in writing, to Tenant, as named insured, of any default in, modification or the termination thereof.

7.03 The fact that Landlord is required to pay for the policies of insurance required by this Article shall not be construed to diminish in any way the indemnities by Tenant pursuant to Article 17 and elsewhere in this Lease provided however that such indemnities shall in no way be deemed to redound to the benefit of, or to give any right of any nature whatsoever to, the insurers under such policies.

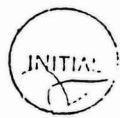
ARTICLE 8

RESTORATION AFTER CASUALTY-INSURANCE PROCEEDS

8.01 If the Premises or any part thereof are damaged or destroyed in whole or in part by any casualty of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, Tenant shall give Landlord immediate notice thereof, and Tenant shall, at its own cost and expense, whether or not such damage or destruction shall have been insured and whether or not insurance proceeds, if any, shall be sufficient for the purpose, promptly repair, alter, restore, replace and rebuild the Premises (such work being hereinafter called "Restoration") at least to the extent of the value as of the Commencement Date and as nearly as possible to the character of the Premises existing immediately prior to such occurrence; and Landlord shall in no event be called upon to do or perform any Restoration, nor to pay any of the costs or expenses thereof. All work of Restoration shall be done in accordance with the provisions of Article 11 hereof.

8.02 This Lease shall not be affected in any manner by reason of total or partial destruction of the Building or any part thereof or by reason of the untenability of the Premises or any part thereof, for any reason whatsoever, and Tenant, notwithstanding any law or statute present or future, waives any and all rights to quit or surrender the Premises or any part thereof. Tenant's obligations hereunder, including the payment of Rental shall continue the same as though none of said events had occurred and without abatement, suspension, diminution or reduction of any kind.

OMIT ARTICLE 9



ARTICLE 10

REPAIRS

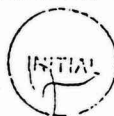
10.01 Except as provided in Section 10.02:

(a) Tenant, at its sole cost and expense, shall take good care of the Premises and all sidewalks, grounds, areas, vaults, chutes, sidewalk hoists, railings, gutters, water and sewer connections, alleys and curbs in front of or adjacent to the Premises and will keep and maintain the same in good and safe order and condition.

subject to the provisions of Sections 10.02(a) and (b)

(b) Tenant shall/make all repairs therein and thereon, ^{hereof} interior and exterior, structural and nonstructural, ordinary and extraordinary, foreseen and unforeseen, necessary to keep the same in good and safe order and condition howsoever the necessity or desirability thereof may occur, and whether or not necessitated by wear, tear, obsolescence or defects, latent or otherwise. Tenant shall not commit or suffer, and shall use all reasonable precaution to prevent, waste, damage or injury to all of the same. As used herein, the term "repairs" shall include all necessary renewals, alterations and additions, and Tenant agrees to keep the Building fully and adequately furnished and equipped throughout the term hereof with all equipment and fixtures necessary for the operation of the Premises for the purposes herein permitted. Tenant shall not remove from the Premises, except for repairs, cleaning or other servicing, any equipment, fixtures or articles of personal property which were initially installed by Landlord pursuant to the Final Plans (and any replacements thereof made by Tenant), without the prior written consent of Landlord, unless Tenant shall replace same with items of like value and utility, and in the case of exterior items, like appearance.

10.02 (a) For a period of one year after the Commencement Date, Landlord, at its sole cost and expense, shall make all reasonable and necessary repairs to the Premises, interior and exterior, structural and



nonstructural, ordinary and extraordinary, foreseen and unforeseen, and to all sidewalks, grounds, areas, vaults, chutes, sidewalk hoists, railings, gutters, water and sewer connections, alleys and curbs in front of or adjacent to the Premises, of which Tenant shall have given Landlord written notice, except that Landlord shall have no such obligation with respect to any repair necessitated in whole or in part by (i) any negligent or wrongful acts or omissions of Tenant, its employees, agents, licensees, invitees and contractors, (ii) damage by fire or other casualty, insured or uninsured, (iii) the failure of Tenant to give Landlord prompt written notice of any defect as it becomes apparent, (iv) ordinary wear and tear, and (v) the failure of Tenant to perform ordinary maintenance. Landlord shall have no obligations hereunder with respect to any items of repair, written notice of which Tenant has failed to give Landlord within the aforesaid one year period.

(b) For a period of three years after the Commencement Date, upon written notice from Tenant to Landlord, Landlord, At Landlord's structural or non-structural expense, shall make any repairs to the Premises made necessary by latent defects in Landlord's Work; provided, however, that Landlord shall have no such obligation with respect to any such repair necessitated in whole or in part by any of the matters described in clauses (i) through (iii) of subparagraph (a) of this Section 10.02. Landlord shall have no obligations hereunder with respect to any such repair where Tenant has failed to give Landlord written notice thereof within the aforesaid three year period.

10.03 If the failure of Tenant to keep clean and free from dirt, snow, ice, rubbish, obstructions and encumbrances, the sidewalks, areas, vaults, chutes, sidewalk hoists, railings, gutters, alleys and curbs in front of or adjacent to the Premises shall result in an increase in the premiums payable by Landlord, with respect to insurance covering the Premises carried by Landlord, Tenant shall reimburse Landlord for such increase.

10.04 Landlord shall not be required to furnish any services or facilities whatsoever to the Premises and Tenant hereby assumes the full and sole responsibility for the condition, operation, repair, alteration,



improvement, maintenance and management of the Premises except as expressly set forth in Section 10.02. Landlord shall not be responsible for any loss or damage to any property of Tenant.

ARTICLE 11

CHANGES AND ALTERATIONS

11.01 Tenant shall not remove, demolish, replace or structurally alter the Premises or any Buildings, or any part thereof or any equipment or appurtenance thereto (any such removal, demolition, replacement or structural alteration being herein referred to as a "Leasehold Improvement") unless Tenant shall comply with the following requirements and, if applicable, with the additional requirements set forth in Section 11.02:

(a) Tenant shall have procured all necessary permits from all governmental departments having jurisdiction, copies of which shall be delivered to Landlord prior to the commencement of any work with respect to which such permits are a prerequisite to performance of such work;

(b) Any Leasehold Improvement shall be made promptly, in a first class workmanlike manner, in compliance with all Requirements and shall not lessen the value of the Premises;

(c) Tenant, at Tenant's expense, shall carry the necessary Workmen's Compensation Insurance and procure and pay for Builder's Risk Insurance, on the Completed Value Form. Tenant shall, prior to the commencement of the work, deliver to Landlord evidence of compliance with this subparagraph. This subparagraph shall not apply to the original named Tenant;

(d) No Leasehold Improvement shall be made by Tenant if it materially shall decrease the value of the Premises without consent of Landlord and Fee Mortgagee.

11.02 In the event the estimated cost of any single Leasehold Improvement shall exceed \$50,000., then in addition to complying with the requirements of Section 11.01 Tenant shall, before the commencement of any such work;



(a) Furnish to Landlord complete plans and specifications for the proposed Leasehold Improvement; and

(b) Such Leasehold Improvement shall be carried out under the supervision of an architect selected by Tenant and reasonably approved in writing by Landlord, except that such architectural supervision shall not be required if the Leasehold Improvement is to be performed by the original named Tenant. The estimates of cost made by such architect, ^{if required, or Tenant} shall be binding upon both parties for all purposes of this Section 11.02.

11.03 Any Leasehold Improvement to the premises or the improvements thereon shall be at the sole cost and expense of Tenant.

11.04 Subsequent to the expiration of the initial term of this Lease and provided Tenant shall have duly exercised its first renewal option pursuant to Article 31, and said first renewal term shall have commenced, Tenant shall have the right to completely demolish the Building and to replace same, at Tenant's sole cost, risk and expense, with a new Building, on the terms and conditions hereinafter set forth:

(a) Such new construction shall be of a quality at least as good as that of the original Building constructed by Landlord;

(b) The new Building shall be suitable for the same purposes and shall have a rentable square foot area at least equal to the original Building; and

(c) Tenant shall comply with the requirements of Article 11, with respect to Leasehold Improvements costing in excess of \$50,000.

ARTICLE 12

REQUIREMENTS OF PUBLIC AUTHORITIES AND OTHERS

12.01 Tenant shall at its own cost and expense, promptly comply with any and all present and future laws, rules, orders, ordinances, regulations, statutes and requirements, herein collectively called "Requirements", irrespective of the nature of the work required to be done, extraordinary as well as ordinary, of any governmental, public or quasi-public authorities now existing or hereafter created, and of any and all of their departments and bureaus, applicable to or affecting the premises or any street, avenue and/or any vault in or under the same, or the removal of



any encroachment, or the condition, equipment, maintenance, use or occupation of the Premises, whether or not the same involve or require any structural changes or additions in or to the Premises, and irrespective of whether or not such changes or additions be required on account of any particular use to which the Premises, or any part thereof, may be put.

12.02 Tenant shall have the right to contest the validity of any such Requirements or the application thereof at Tenant's own expense. During such contest, compliance with any such contested Requirements may be deferred by Tenant upon condition that before instituting any such proceedings, Tenant (except the original named Tenant) shall furnish to Landlord a surety company bond, a cash deposit or other security satisfactory to Landlord, sufficient to cover the cost of complying with the contested Requirements, with interest, penalties, fines, fees and other expenses, for the period which such proceedings may reasonably be expected to take, securing compliance with such contested Requirements and payment of all interest, penalties, fines, fees and expenses in connection therewith. Notwithstanding the furnishing of any bond, deposit or security, Tenant shall promptly comply with any such Requirements and compliance shall not be deferred if at any time, in the judgment of Landlord, the Premises, or any part thereof, shall be in danger of being forfeited or lost or if Landlord shall be subject to criminal liability or penalty by reason of non-compliance therewith.

12.03 Tenant at its expense shall comply with all terms, conditions and provisions contained in the Purchase Money Mortgage other than those requiring payments of interest and amortization.

ARTICLE 13

LIENS

13.01 Except as set forth in Section 13.05, Tenant shall not create or permit to be created or to remain, and shall discharge promptly, any lien, encumbrance or charge upon the Premises or any part thereof or the income therefrom including the lien of Impositions, mechanic's, laborer's or materialmen's liens, conditional sales agreements, title retention



agreements, chattel mortgages, security agreements and financing statements. Notwithstanding the foregoing, Tenant shall not be obligated to discharge any such lien, encumbrance or charge resulting from the act or failure to act of Landlord, its contractors and subcontractors.

13.02 If Tenant shall fail to cause any such lien to be discharged of record or bonded within thirty (30) days after notice thereof, then, in addition to any other right or remedy, Landlord may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or by bonding proceedings, and in any such event Landlord shall be entitled if Landlord so elects, to compel the prosecution of an action for the foreclosure of such lien by the lienor and pay the amount of the judgment in favor of the lienor with interest, costs and allowances. Any amount so paid by Landlord and all costs and expenses incurred by Landlord in connection therewith, together with interest thereon at the highest lawful rate of interest from the respective dates of Landlord's making of the payment or incurring of the cost and expense shall be payable by Tenant under this Lease and shall be paid by Tenant to Landlord on demand.

13.03 Notice is hereby given that Landlord shall not be liable for any work performed or to be performed at the Premises by Tenant, or any materials furnished or to be furnished at the Premises for Tenant upon credit, and that no mechanic's or other lien for such work or materials shall attach to or affect the estate or interest of Landlord in and to the Premises

13.04 Notice is hereby given that Tenant shall not be liable for any work performed or to be performed at the Premises by Landlord, or any materials furnished or to be furnished at the Premises for Landlord upon credit, and that no mechanic's or other lien for such work or materials shall attach to or affect the estate or interest of Tenant in and to the Premises.

13.05 The provisions of Section 13.01 shall not be deemed to prohibit the lien of that certain refunding mortgage dated October 1, 1921

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together with supplemental indentures thereto, made by Tenant, as mortgagor, to Bankers Trust Company, as trustee, from attaching to Tenant's leasehold estate. *and trade fixtures.*

ARTICLE 14

ASSIGNMENT, SUBLETTING

14.01 Tenant will not by operation of law or otherwise assign, mortgage or encumber this Lease without Landlord's prior written consent in each instance, except as otherwise set forth in this Article 14/ ^{and in Section 13.05.} The consent by Landlord to any assignment shall not in any manner be construed to relieve Tenant from obtaining Landlord's express written consent to any other or further assignment.

14.02 Tenant may assign, or transfer by operation of law, its entire interest in this Lease to a "successor corporation" of Tenant, as such term is hereinafter defined, without Landlord's prior written consent, provided that this Lease is in full force and effect. A "successor corporation" as used in this Section 14.02 shall mean (i) a corporation into which or with which Tenant is merged or consolidated, in accordance with applicable statutory provisions for the merger or consolidation of corporations, or (ii) a corporation to which all or substantially all of Tenant's assets are transferred, provided that by operation of law or by effective provisions contained in the instruments of merger, consolidation, or transfer performance of the terms, covenants and conditions of this Lease to be performed by Tenant are assumed by the corporation to which this Lease is assigned or transferred, and provided further that, immediately after giving effect to any such merger, consolidation or transfer the corporation to which this Lease is so assigned or transferred shall have a net worth as determined in accordance with generally accepted principles of accounting substantially equal to the net worth, similarly determined, of Tenant as of the date of execution of this Lease. Upon the delivery to Landlord by any successor corporation to whom this Lease is assigned or transferred of a true copy of the instruments pursuant to which such corporation has assumed

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performance of all the terms, covenants and conditions of this Lease to be performed by Tenant, and agreeing to be bound thereby, the Tenant so assigning or transferring this Lease shall thereafter be released and discharged from any obligation thereafter arising under this Lease.

14.03 Tenant may sublet all or any portion, of the Building without Landlord's prior written consent on the following conditions:

(a) Each such sublease shall contain provisions to the following effect:

(i) That same is subject and subordinate to this Lease and all modifications hereof, and to all mortgages, underlying leases and other matters to which this Lease is or may be subject and subordinate.

(ii) That the subtenant will, at the option and at the request of the Landlord under this Lease, attorn to and recognize the Landlord under this Lease as its landlord under the sublease, in the event of termination of this Lease by reason of the default of the Tenant hereunder, whether said termination be by summary proceedings, voluntary agreement or otherwise.

(iii) That the sublet premises are to be used for any purpose permitted by this Lease.

(iv) That the term of such sublease shall expire not later than one day prior to the date of expiration of the term hereof.

(v) The subtenant shall be prohibited from assigning or subletting without further compliance with the conditions of this Section 14.03.

(b) Tenant shall and does hereby agree to indemnify and hold Landlord harmless from any and all liabilities, claims and causes of action arising under any of the terms and conditions of every sublease.

(c) A photostatic copy of the executed sublease meeting the requirements of this Section 14.03 shall be delivered to Landlord within 10 days after the execution thereof and in no event less than 20 days prior to the proposed taking of possession by the subtenant. No amendment or



modification of such sublease shall be made, unless in accordance with this Section 14.03 and unless a photostatic copy thereof shall be delivered to Landlord within 10 days after the execution thereof.

(d) If as a result of such subletting, or as a result of the use and occupancy of the sublet premises by the subtenant, whether or not such use and occupancy is permitted or prohibited pursuant to such sublease or this Lease, the premiums on insurance required to be carried by Landlord pursuant to Article 7 of this Lease shall be increased, Tenant shall reimburse Landlord for such increase, or if the premiums on any other or additional insurance which may be carried by Landlord with respect to the Premises shall be increased, Tenant shall reimburse Landlord in the amount of such increases, as additional Rental, from time to time, within 15 days after demand therefor by Landlord.

14.04 If this Lease be assigned, whether or not in violation of the provisions of this Lease, Landlord may collect rent from the assignee. If the Premises or any part thereof be sublet or be used or occupied by anybody other than Tenant, whether or not in violation of this Lease, Landlord may, after default by Tenant and expiration of Tenant's time to cure such default, collect rent from the subtenant or occupant. In either event, Landlord may apply the net amount collected to the Rental herein reserved, but no such assignment, subletting, occupancy or collection shall be deemed a waiver of any of the provisions of Section 14.01, or the acceptance of the assignee, subtenant or occupant as Tenant, or a release of Tenant from the further performance by Tenant of Tenant's obligations under this Lease. The consent by Landlord to an assignment pursuant to any provision of this Lease shall not in any way be considered to relieve Tenant from obtaining the express consent of Landlord to any other or further assignment. References in this Lease to use or occupancy by anyone other than Tenant shall not be construed as limited to subtenants and those claiming under or through subtenants but as including also licensees and others claiming under or through Tenant, immediately or remotely. Neither any assignment of Tenant's interest in this Lease nor any subletting, occupancy or use of the Premises or any part thereof by any person other than Tenant, nor any collection of

rent by Landlord from any person other than Tenant as provided in this Article, nor any application of any such rent as provided in this Article shall, under any circumstances, relieve Tenant of its obligation fully to observe and perform the terms, covenants and conditions of this Lease on Tenant's part to be observed and performed except as otherwise provided in this Article.

ARTICLE 15

BROKER

15.01 Landlord and Tenant mutually represent to each other that they have not negotiated with any broker in connection with this Lease. Each party agrees that should any claim be made against the other party for broker's commission by reason of the acts of such party, the party upon whose acts such claim is predicated shall hold the other party free and harmless from any and all liability and expenses in connection therewith.

ARTICLE 16

MORTGAGING OF FEE BY LANDLORD

16.01 Subject to the provisions of Section 16.02 and Article 32, at Landlord's option, this Lease is and shall be subject and subordinate to all mortgages which may now or hereafter affect the title to the Land and/or Building and to all renewals, modifications, amendments, consolidations, replacements or extensions thereof and to all advances made thereunder (hereinafter collectively called "Mortgage Modifications"), provided the requirements of Section 16.02 shall be satisfied and provided further, that unless Landlord notifies Tenant within 30 days of the date of any Mortgage which or Mortgage modification to this Lease shall be subject and subordinate, this Lease shall not be subject and subordinate thereto.

16.02 (a) The subordination of this Lease to mortgages in accordance with Section 16.01 is subject to the express condition that (i) so long as this Lease shall be in effect (even though the term of this Lease may have been terminated as a result of condemnation or casualty). Landlord shall be permitted to apply all condemnation awards and proceeds of insurance as

provided in this Lease, and (ii) during the term of this Lease, (a) Tenant shall not be named or joined in any action or proceeding to foreclose any such mortgage, (b) such action or proceeding shall not result in a cancellation or termination of the term of this Lease, and (c) if the holder of any such mortgage becomes the owner of the fee or if the Premises shall be sold as a result of any action or proceeding to foreclose such mortgage, this Lease shall continue in full force and effect as a direct lease between Tenant and the then owner of the fee or such purchaser of the Premises, as the case may be, upon all of the obligations of this Lease, including Article 32. In such event, upon written request of such owner, lessee or purchaser, or his successors or assigns, Tenant shall enter into an agreement attorning to such owner, lessee or purchaser, or his successors or assigns, upon all of the obligations of this Lease.

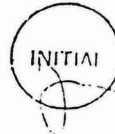
(b) Tenant shall, within twenty (20) business days after a written request therefor, execute and deliver such instruments as Landlord may reasonably request to confirm or evidence such subordination provided that simultaneously with the delivery by Tenant of such instruments there is delivered to Tenant an instrument in recordable form executed by the mortgagee to which this Lease shall be subordinate setting forth the conditions of such subordination as provided in Section 16.02(a).

16.03 (a) In the event of any act or omission by Landlord which would give Tenant the right to terminate this Lease or to claim a partial or total eviction, Tenant will not exercise any such right until:

(i) It has given written notice of such act or omission ^{recorded} to the holder of any mortgage to which this Lease is subordinate.

(ii) A reasonable time shall have elapsed following the giving/notice during which such parties, or any of them, have not commenced and continued to remedy such action or omission, or to cause the same to be remedied.

(b) The provisions of subparagraph (a) of this section 16.03 shall not be applicable to acts and omissions by Landlord occurring prior to the Commencement Date which would give Tenant a right of reverter pursuant to



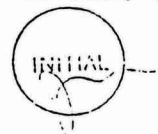
the provisions contained in the deed of the Premises by Tenant to Landlord. In the event Tenant shall exercise such right of reverter, this Lease shall ipso facto terminate and neither party shall thereafter have any liability arising hereunder. The foregoing shall not however be deemed to be a waiver of any claim which either party may have against the other arising under the Contract.

16.04 If in connection with obtaining construction or permanent financing for the Premises, an "institutional lender" (as hereinafter defined) shall request reasonable modifications in this Lease as a condition to such financing, Tenant will not unreasonably withhold, delay or defer its consent thereto, provided that such modifications do not increase the obligations of Tenant hereunder or adversely affect Tenant's rights under this Lease or the leasehold estate hereby created. As used herein, "institutional lender" shall include a savings bank, bank, trust or insurance company, savings and loan association, foundation, college, university, pension fund, employees' profit sharing trust, or any monetary or lending institution whose principal mortgage investment activity is the making of first mortgage loans, or any subsidiary of the foregoing. Any dispute between Landlord and Tenant with respect to the interpretation or applicability of this Section 16.04 shall be determined by Arbitration.

ARTICLE 17

INDEMNIFICATION OF LANDLORD

17.01 Except as provided in Section 17.02, Tenant shall indemnify and save harmless Landlord against and from all liabilities, claims, suits, fines, penalties, damages, losses, fees, costs and expenses (including reasonable attorneys' fees) which may be imposed upon, incurred by or asserted against, Landlord by reason of (a) any work or thing done in, on or about the Premises or any part thereof performed by Tenant or subtenant or any of its or their agents, contractors, servants, employees, licensees or invitees; (b) any use, occupation, condition, operation of the Premises or any part thereof or of any street, alley, sidewalk, curb, vault, passageway or space adjacent thereto or any occurrence on any of the same; (c) any act or



omission on the part of Tenant or any subtenant or any of its or their agents, contractors, servants, employees, licensees or invitees; (d) any accident, injury (including death) or damage to any person or property occurring in, on or about the Premises or any part thereof or in, on or about any street, alley, sidewalk, curb, vault, passageway or space adjacent thereto; (e) any failure on the part of Tenant to perform or comply with any of the covenants, agreements, terms or conditions contained in this Lease, or in any sublease, license or concession agreement on its part to be performed or complied with; (f) any contest permitted pursuant to the provisions of Articles 1 and 12 hereof. The provisions of this Article shall survive the expiration or earlier termination of this Lease.

17.02 The indemnity of Landlord by Tenant set forth in Section 17.01 shall not be applicable to matters occurring prior to the Commencement Date, with the exception of those described in clause (c) of Section 17.01.

ARTICLE 18

LANDLORD'S RIGHT OF ACCESS AND TO PERFORM TENANT'S COVENANTS

18.01 Landlord and its agents shall have the right to enter the Premises during the term hereof for the purpose of inspection during normal business hours. The right of Landlord to enter the Premises shall be conditioned upon reasonable advance notice to Tenant. Landlord shall be accompanied by a representative of Tenant whenever it shall enter the Premises, except as otherwise provided herein.

18.02 If Tenant shall at any time fail to make any payment or perform any act to be made or performed by Tenant hereunder, provided there is no bona fide dispute with respect to such payment or performance, Landlord after ten (10) business days notice to Tenant (or without notice in the case of emergency and without waiving or releasing Tenant from any obligation of Tenant contained in this Lease, may (but shall not be under obligation to) make any such payment or perform any such act on Tenant's part to be made or performed in this Lease provided, and Landlord may enter upon the Premises for such purpose and take all such action thereon as may be necessary therefor. All sums so paid by Landlord in connection with the

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performance of any such act, together with interest thereon at the rate of seven percent (7%) per annum from the respective dates of Landlord's making of each such payment or incurring of each such cost and expense, shall be paid by Tenant to Landlord on demand.

ARTICLE 19

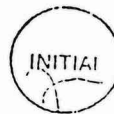
PERMITTED USE

19.01 Subject to the provisions of law and of this Lease, Tenant may use the Premises as and for any use permitted by the certificate of occupancy and local law, including applicable zoning restrictions and for no other purpose.

19.02 Tenant shall not suffer or permit the Premises or any portion thereof to be used by the public as such, without restriction or in such manner as might reasonably tend to impair Landlord's title to the Premises or any portion thereof, or in such manner as might reasonably make possible a claim or claims of adverse usage or adverse possession by the public, as such, or of implied dedication of the Premises or any portion thereof.

19.03 Anything in this Lease to the contrary notwithstanding Tenant shall not use or occupy, nor permit or suffer, the Premises or any part thereof to be used or occupied for any unlawful or illegal business, use or purpose, nor in such manner as to constitute a nuisance of any kind, nor for any purpose or in any way in violation of the certificate of occupancy, or of any present or future governmental laws, ordinances, requirements, orders, directions, rules or regulations. Tenant shall immediately upon the discovery of any such unlawful or illegal use take all steps, legal and equitable, to compel the discontinuance of such use and to oust and remove any subtenants, occupants or other persons guilty of such unlawful or illegal use.

19.04 In the event any use of the Premises or any portion thereof (whether or not permitted by this Article 19) shall result in an increase in the premiums on insurance policies required to be carried by Landlord pursuant to Article 7, or on any other additional insurance carried by



Landlord with respect to the Premises, Tenant shall reimburse Landlord the amount of such increase, from time to time, within 15 days after the demand therefor by Landlord, throughout the term of this Lease.

ARTICLE 20

NOTICES

20.01 Notices or demands hereunder to Tenant or to Landlord shall be given by registered mail, return receipt requested, at their respective addresses above mentioned or to such other address as may be designated by either party by notice in writing sent as aforesaid and shall be deemed served on the date deposited in the United States mails, postage prepaid. Such notices to Tenant shall be addressed to the attention of: General Real Estate Manager, 2 Penn Plaza, New York, New York 10001.

ARTICLE 21

DEFAULTS, CONDITIONAL LIMITATIONS, REMEDIES, ETC.

21.01 Each of the following shall be an "Event of Default":

(a) Failure of Tenant to pay any installment of Rental or any part thereof or any other payments of money, costs, or expenses herein agreed to be paid by Tenant, when due, and the continuance of such failure for a period of 10 days after written notice from Landlord specifying such failure.

(b) Failure of Tenant to observe or perform one or more of the other terms, conditions, covenants, or agreements of this Lease and the continuance of such failure for a period of 30 days after written notice by Landlord specifying such failure (unless such failure requires work to be performed, acts to be done, or conditions to be removed which cannot by their nature reasonably be performed, done or removed, as the case may be, within such 30 day period, in which case no default shall be deemed to exist so long as Tenant shall have commenced doing the same within such 30 day period and shall diligently and continuously prosecute the same to completion).

(c) the filing or execution or occurrence of

- (i) a petition in bankruptcy by or against Tenant;
- (ii) a petition or answer by or against Tenant, seeking a reorganization, arrangement, composition, readjustment,

liquidation, dissolution or other relief of the same or different kind under any provision of the Bankruptcy Act;

(iii) adjudication of Tenant as a bankrupt or insolvent; or insolvency in the bankruptcy or equity sense;

(iv) an assignment by Tenant for the benefit of creditors whether by trust mortgage or otherwise;

(v) a petition or other proceeding by or against Tenant for, or the appointment of a trustee, receiver, guardian, conservator or liquidator of Tenant with respect to all or substantially all of its property;

(vi) a petition or other proceeding by or against Tenant for its dissolution or liquidation, or the taking of possession of the property of Tenant by any governmental authority in connection with dissolution or liquidation;

provided, however, that in the case of a petition filed against Tenant under (i), (ii), (v) or (vi) above an Event of Default shall be deemed to have occurred only if subparagraph (d) below does not apply and/or if the petition shall not have been dismissed within 30 days after the filing thereof;

(d) The entry of an order, judgment or decree by any court of competent jurisdiction granting the prayer or demand contained in any petition under (i), (ii), (v) or (vi) above;

(e) Abandonment of the Premises;

(f) The taking by any person of the leasehold created hereby or any part thereof upon execution, attachment or other process of law or equity.

Anything in the foregoing to the contrary notwithstanding, the events set forth in subparagraphs (c), (d), (e) or (f) shall not be Events of Default so long as there is no other Default hereunder, and all Rental is paid when due.

21.02 If an Event of Default shall occur, Landlord, at any time thereafter, while the failure by Tenant or other event on which such Event



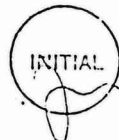
of Default is predicated shall continue, may at its option give written notice to Tenant stating that this Lease and the term hereby demised shall expire and terminate on the date specified in such notice (which shall be no earlier than 10 days after the mailing of said notice) and upon the date specified in such notice, this Lease and the term hereby demised, and all rights of the Tenant under this Lease shall expire and terminate as if that date were the date herein definitely fixed for the termination of the term of this Lease, and Tenant shall quit and surrender the Premises but Tenant shall remain liable as hereinafter provided.

21.03 In the event of the termination of this Lease either by operation of law, by issuance of a dispossessory warrant, by termination as provided in 21.02 above or otherwise (except as provided in Article 22 hereof) Landlord may without notice, re-enter and repossess the Premises, using such force for that purpose as may be necessary without being liable to indictment, prosecution or damages therefor, and Tenant shall nevertheless remain and continue liable to Landlord in a sum equal to all Rental and other payments and charges reserved herein, for the remainder of the term hereof. If Landlord shall so re-enter, Landlord may, at its option, repair and alter the Premises in such manner as to Landlord may seem necessary or advisable, and/or let or relet the Premises or any parts thereof for the whole or any part of the remainder of the term hereof or for a longer period, and out of any rent collected or received as a result of such first, pay to itself the expense of retaking, repossessing, repairing and/or altering the Premises, and the cost and expenses of removing all persons and property therefrom; second, pay to itself the cost and expense sustained in securing any new tenants, and if Landlord shall maintain and operate the Premises the cost and expense of operating and maintaining the Premises; and, third, pay to itself any balance remaining on account of the liability of Tenant to Landlord for the sum equal to all Rental and other payments and charges reserved herein and unpaid by Tenant for the remainder of the term hereof. No re-entry by Landlord, whether had or taken under summary proceedings or otherwise, shall absolve or discharge Tenant from



liability hereunder. Landlord shall in no way be responsible or liable for any failure to relet the Premises or any part thereof or for any failure to collect any rent due on any such reletting. Should any rent so collected by Landlord after the aforementioned payments be insufficient fully to pay to Landlord a sum equal to all such Rental and other payments and charges reserved herein, the deficiency shall be paid by Tenant on the rent days herein specified, that is, upon each of such rent days Tenant shall pay to Landlord the amount of the deficiency then existing; and the Tenant shall be and remain liable for any such deficiency, and the right of Landlord to recover from Tenant the amount thereof, or a sum equal to all such Rental and other payments and charges reserved herein, if there shall be no reletting, shall survive the issuance of any dispossessionary warrant or other termination hereof, and Landlord shall be entitled to retain any surplus; and Tenant hereby expressly waives any defense that might be predicated upon the issuance of such dispossessionary warrant or other termination hereof. Landlord, upon request by Tenant, will use reasonable efforts to relet the Premises on such terms as may, in all the circumstances, be reasonable.

21.04 Tenant hereby expressly waives the service of any notice of intention to re-enter provided for in any statute, or of the institution of legal proceedings to that end, and Tenant for and on behalf of itself and all persons claiming through or under Tenant also waives any and all right or redemption provided by law or statute now in force or hereafter enacted or otherwise, for re-entry or repossession or to restore the operation of this Lease in case Tenant shall be dispossessed by a judgment or by warrant of any court or judge or in case of re-entry or repossession by Landlord or in case of any expiration or termination of this Lease, and

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Landlord and Tenant waive and will waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, or any claim of injury or damage, except personal injury or death. The terms "enter", "re-enter", "entry", or "re-entry", as used in this Lease are restricted to their technical legal meaning.

21.05 Each and every covenant contained herein shall be deemed separate and independent and not dependent upon other provisions of this Lease.

21.06 In the event of a termination of this Lease by reason of Default or breach by Tenant hereunder, all deposits theretofore made by Tenant with utility companies, all rights of Tenant under all insurance policies and claims for refund of any impositions, and pending claims for insurance proceeds or condemnation awards, all monies and securities of Tenant then held by Landlord, and all heating fuel on the Premises shall be deemed to be and are hereby assigned to and transferred to Landlord. This Section 21.06 shall not apply to the original named Tenant.

21.07 No failure by Landlord to insist upon the strict performance of any covenant, agreement, term or condition of this Lease or to exercise any right of remedy consequent upon a breach thereof, and no acceptance of full or partial rent during the continuance of any such breach, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No covenant, agreement, term or condition of this Lease to

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be performed or complied with by Tenant, and no breach thereof, shall be waived, altered or modified except by a written instrument executed by Landlord. No waiver of any breach shall affect or alter this Lease, but each and every covenant, agreement, term and condition of this Lease shall continue in full force and effect to any other that existing or subsequent breach thereof.

21.08 (a) Notwithstanding anything contained in this Lease (with the exception of subparagraph (b) of this Section 21.08), if Landlord or any successor in interest of the Landlord is or shall be a natural person, partnership, limited partnership, trust, joint venture, tenancy in common, or any entity other than a corporation, then it is specifically agreed and understood that there shall be absolutely no personal liability on the part of such Landlord or on the part of any of the partners, members or individuals comprising the same, with respect to any of the terms, covenants and conditions of the Lease, and Tenant shall look solely to the equity of such Landlord, or such successor in interest, in the Premises or the proceeds of sale of such equity, for the satisfaction of each and every remedy of Tenant in the event of any breach by Landlord of any of the terms, covenants and conditions of this Lease to be performed by Landlord.

(b) The provisions of subparagraph (a) of this Section 21.08 shall not be applicable to any default by Landlord in the performance of its obligations pursuant to Section 10.02.

ARTICLE 22

CONDEMNATION

22.01 If the whole or materially all of the Premises shall be taken for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of condemnation or eminent domain or by agreement between Landlord, Tenant and those authorized to exercise such right (herein called "Total Taking"), this Lease, the term hereby granted, and any rights of renewal hereof and any renewal terms hereof, shall terminate and expire on the date of such taking and the Rental shall be apportioned and paid to the date of such taking.



The term "materially all of the Premises" shall be deemed to mean such portion of the land and/or building which, as when so taken, would, after the completion of such repair and restoration as would otherwise be performed pursuant to Section 22.02(b) hereof, leave remaining land and building having an area within the building of less than 5,000 square feet and paved, fenced area for the outdoor parking for less than 100 vehicles. If there be any dispute as to whether or not there has been a Total Taking such dispute shall be submitted to Arbitration.

In the event of a Total Taking, the entire award or the aggregate of any separate awards to Landlord and Tenant shall be paid to Landlord, except as set forth in Section 22.07.

22.02 If less than materially all of the Premises be taken or condemned (herein called "Partial Taking"):

(a) This Lease shall continue in full force and effect as to the part not so taken.

(b) Subject to the provisions of subparagraph (c) hereof, Tenant shall at its own cost and expense, whether or not the award or award, if any, shall be sufficient for the purpose, proceed diligently to repair and restore any remaining part of the Building on the Land not so taken so that the same shall be a complete rentable selfcontained architectural unit in good condition and repair.

(c) Except as set forth in Section 22.07, the entire award or the aggregate of the separate awards to Landlord and Tenant, as the case may be, shall be paid to Landlord and subject to the provisions and limitations in this Section, Landlord agrees to make available to Tenant so much of that portion of the awards actually received and held by Landlord, if any, less all reasonable expenses paid or incurred by Landlord in the condemnation proceedings, as may be necessary to pay for the cost of repairing and restoring for use and occupancy the part of the Building not so taken. Such repairs and restoration shall be done in accordance with and subject to the provisions of Article 11 hereof. Payments to Tenant as aforesaid shall be disbursed in the manner set forth in Article 8 hereof.



Any balance of the award thereafter remaining shall be the sole property of Landlord, without any claim on the part of Tenant. Tenant shall have the right to participate in the negotiations with the condemning authority.

(d) Effective as of the date of such Partial Taking the Fixed Rental payable by Tenant pursuant to Section 3.01 shall be reduced as hereinafter set forth in this Section 22.02 subsection (d). For the purposes of calculating such reduction the breakdown of the Fixed Rental between land and building shall be deemed to be the following:

	First 15 Years of Lease Term	Last 10 Years of Lease Term (and any renewal thereof)
Land	\$50,970.	\$17,670.
Building	39,330.	39,330.
Total	\$90,300.	\$57,000.

If the Partial Taking shall be of land or building or both the Fixed Rental shall be reduced by an amount calculated by multiplying the Fixed Rental applicable to the land and/or building as hereinabove set forth by a fraction in each case the numerator of which shall be the difference between the number of square feet of gross building floor space in the case of a taking affecting the building, or the number of square feet of land area in the case of a taking affecting the land, immediately prior to such taking, and the number of square feet of gross building floor space or square feet of land area remaining subsequent to such taking and the restoration required pursuant to subparagraph (c) hereof and the denominator of which shall be, in each case, the number of square feet of gross building floor space or square feet of land area immediately prior to such taking. Such additional gross building floor space as may have been constructed by and at the cost of the Tenant during the term of this lease or any renewal thereof shall, if affected by a Partial Taking, be deemed to be a taking of land for the purposes of this Section 22.02 subsection (d).

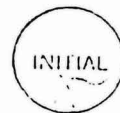


Notwithstanding the foregoing, if as a result of such Partial Taking the annual Fixed Rental payable by Tenant shall be less than \$78,200 during the first 15 years of the lease term and less than \$45,000. during the last ten years of the lease term, then Landlord shall have the right to cancel this lease by notice to Tenant given within 30 days after the date of such Partial Taking and in such event the term of this Lease shall expire, Tenant shall vacate the premises as herein required within sixty (60) days after giving of such notice and Tenant shall have no right to the award or any part thereof, except as provided in Section 22.03 (b), (c) and (d), and Section 22.07. If Landlord shall give Tenant such notice of cancellation, Tenant shall have the right, notwithstanding any contrary provision of Article 32 hereof, to exercise its option to purchase the premises in the same manner as set forth in Article 32, provided Tenant shall give Landlord notice of such exercise not more than sixty (60) days after the aforesaid notice of cancellation by Landlord, and provided further that the purchase price in such event shall be the greater of (i) the purchase price stipulated in Article 32 hereof, or (ii) the then unpaid principal balances of all Fee Mortgages and the Purchase Money Mortgage together with the accrued interest thereon.

The right of the Landlord to cancel this Lease pursuant to this Section 22.02 (d) is subject to the prior written consent of the holder of the first Fee Mortgage and no notice of cancellation of Landlord shall be effective unless such consent is first obtained.

22.03 (a) Except as provided in subparagraphs (b), (c) and (d) of this Section, in the event of a Total Taking, or a Partial Taking, Tenant waives all claims for any value of its interest in this Lease, and Tenant shall be entitled solely to the amounts, if any, available under Section 22.01 or Section 22.02, or Section 22.07, as the case may be.

(b) In the event of a Total Taking or a Partial Taking resulting in the termination of this Lease occurring from the Commencement Date to the day before the twentieth anniversary of the Commencement Date, the award or the aggregate of the separate awards to Landlord and Tenant, as the case may be shall be paid as follows:



1. Landlord shall first receive the greater of (i) the then unpaid principal balance and accrued interest on the first Fee Mortgage or (ii) \$550,000.

2. Landlord shall then receive an amount equal to the then principal balance on the Purchase Money Mortgage for satisfaction of said mortgage.

3. If such taking shall occur during the first lease year, Landlord shall receive 100% of the excess; if in the second lease year, 95% of such excess; such percentage of the excess to be retained by Landlord reducing by 5% after the expiration of each lease year so that if such taking shall occur during the twentieth lease year, 5% of the entire excess shall be paid to Landlord.

4. The balance, if any, shall be paid to Tenant.

(c) In the event of a Total Taking or a Partial Taking resulting in the termination of this Lease occurring after the twentieth anniversary of the Commencement Date, the entire award or the aggregate of the separate awards to Landlord and Tenant, except as set forth in Section 22.07, shall be paid as follows:

1. Landlord shall first receive the sum of \$550,000. less the sum of \$20,000. for each full lease year that shall have elapsed since the twenty-first anniversary of the Commencement Date.

2. The balance, if any, shall be paid to Tenant.

(d) In the event of a Total Taking or a Partial Taking resulting in the termination of this Lease occurring during any exercised renewal term (as defined in Section 31.01), the entire award or the aggregate of the separate awards to Landlord and Tenant, except as set forth in Section 22.07, shall be paid as follows:

1. Landlord shall first receive the sum of \$450,000.



2. The balance if any, shall be paid to Tenant.

22.04 The Premises or a part thereof, as the case may be, shall be deemed to have been taken or condemned on the date on which actual possession of the Premises or a part thereof, as the case may be, is acquired by any lawful power or authority or the date on which title vests therein, whichever is earlier.

22.05 In the event of a taking for a temporary use this Lease shall continue unaffected and Tenant shall continue to pay in full the Rental. Tenant shall be entitled to receive the entire proceeds for such taking unless the period shall extend beyond the termination of this Lease in which case (a) the proceeds shall be apportioned between Landlord and Tenant as of the date of such expiration and, (b) Landlord shall be entitled to be paid out of the proceeds for any damage to the Premises. If the Lease shall not have expired prior to the termination of the taking, Tenant shall upon termination of the taking so restore the Premises.

22.06 In the case of any governmental action not resulting in a taking of any portion of the Premises, but creating a right to compensation therefor, such as without limitation, a change of the grade of any street, the same shall be considered a Partial Taking hereunder.

22.07 Nothing in this Article 22 shall be deemed or construed to prevent Tenant from seeking to obtain a separate award from the condemning authority for the value, as amortized on a straight line basis over the 25 year term of this Lease, of any Leasehold Improvements made and paid for by Tenant and which constitute fixtures and thereby are deemed part of the building, provided however that no such separate award to Tenant shall be permitted if same shall result in an amount payable to Landlord of less than the then unpaid principal balance and accrued interest on all Fee Mortgages, to which Purchase Money Mortgage is subordinate.

ONIT ARTICLE 23

